

FISCAL NOTE

SB 3063 - HB 3092

March 21, 2000

SUMMARY OF BILL: Requires utilization review programs for mental health or chemical dependency disorders to meet and abide by certain criteria. Any health plan, person, or entity conducting utilization review processes must first be properly registered in Tennessee and all utilization review programs must comply with the requirements of nationally recognized utilization review accreditation bodies. Utilization review programs must publish and distribute a description of review standards and procedures for all levels of care. Clinical protocols and criteria for care must be objective and based on sound clinical principles and processes. Creates a committee in the Department of Commerce and Insurance to annually review clinical protocols and utilization review processes. Requires that insurers pay uncontested claims within 30 days of receipt or interest will accrue at the rate of 10% per annum. Provisions of the bill do not apply to TennCare.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$100,000

Increase Local Govt. Expenditures – Exceeds \$100,000

Estimate assumes:

- an increase in state expenditures to the state employee's health plan because the bill limits actions that may be taken to control costs. Since the state plan implemented a managed mental health care program, plan expenses have declined. This bill would eliminate some of current plan requirements used to contain costs.
- since the bill specifically exempts the TennCare program, no increase is estimated in TennCare expenditures.
- a similar increase in local government health care plans.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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